

Since New Zealand and Australia would bear no part of the expenses of naval defence in the Atlantic, it is suggested that their share in the Pacific should be more than is shown in Table III. The suggested proportion of the cost of provision and maintenance of the Far Eastern Fleet is, then, approximately—

TABLE IV.

Great Britain	..	..	..	..	75 per cent.
Australia	..	..	..	..	20 „
New Zealand	..	..	..	..	5 „

22. If these suggestions are accepted, it remains to formulate proposals for the best method of using the total sum to be spent annually on the Far Eastern Fleet by the United Kingdom, New Zealand, and Australia. The method suggested is to ascertain the annual cost of maintenance of the Far Eastern Fleet when it reaches the strength mentioned in paragraph 11, and the annual sum that should be set apart for the depreciation due to the necessity for replacement of the ships after a certain period; and then, having obtained these figures, to divide the cost in the proportion given in Table IV.

The initial cost and effective life of the various types of ship, for the work required of them in the fighting line of a striking force, is taken as—

Class of Vessel.	Initial Cost.	Effective Life.
	£	
Battleships	3,000,000	15 years.
Battle-cruisers	4,000,000	15 „
Light Cruisers	500,000	15 „
Flotilla Leaders	200,000	12 „
Destroyers	160,000	12 „
Submarines	150,000	15 „
Depot Ships	200,000	25 „
Repair Ships	200,000	25 „
Submarine Parent Ship (large)	200,000	25 „
„ (small) ..	132,000	25 „
Mine-sweepers	70,000	20 „
Minelayer	150,000	25 „
Aircraft-carrier	200,000	25 „
„ (small) ..	150,000	25 „

NOTE.—As the various types of vessel become ineffective for front rank work they may still be of use for subsidiary purposes. Thus light cruisers could be used for trade protection until at least twenty years old, and destroyers and submarines for harbour defence for the same or a longer period.

23. Owing to the ever-changing conditions in the cost of labour and material, and to the alterations in the pay of officers and men, and in the designs of ships, it is almost impossible to arrive at an accurate estimate of the pay, pensions, &c., and of the sum required for the maintenance and depreciation of the fleet. The best figures available are made use of, and indicate a total annual cost of £19,704,700.

Taking the percentages mentioned above the contributions would be—

United Kingdom	..	..	75 per cent.	=	£14,778,525
Australia	..	..	20 „	=	£3,940,940
New Zealand	..	..	5 „	=	£985,235

24. The question as to the different classes of ship that each country should maintain is mentioned in Volume III. The considerations therein stated suggest the contributions to the Far Eastern Fleet shown in Volume III, of which New Zealand's share is :—